

Chapter 6

Project Initiation

Chapter Overview

There are two ways to initiate software development projects at the United States Customs Service:

- Projects above the dollar threshold established by the Investment Review Board (IRB) or projects that have broad cross-functional impact are initiated through the review process established by the IRB.
 - Smaller projects are initiated through a review process to be established by the Assistant Commissioner, OIT.
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Universal Requirements

The following items are required of **all** projects:

- A Project Initiation Team (the size and composition may vary, depending on the size of the project)
 - A completed IT Funding Request Worksheet (ITFRW)
 - A Project Plan (which may be tailored depending on the size of the project)
 - A Cost/Benefit Analysis
 - A statement of user requirements
 - A technical risk review with the Technical Review Board (TRB)
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Supporting Documentation

After project approval, the following documents may be refined/revised as more information becomes available:

- The User Requirements
 - The Cost/Benefit Analysis
 - The Project Plan
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Project Initiation, Continued

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Section A

Investment Management Process (IMP) for Project Selection

Section Overview

The Investment Management Process (IMP) has three parts:

- **Project Selection:** The process of comparing multiple proposed projects for the purpose of choosing only those that optimally support the mission, provide needed improvements, and provide a return on the investment.
- **Project Control:** The process of measuring ongoing IT projects against their projected costs, schedule, and benefits and taking action to continue, modify, or cancel them.
- **Project Evaluation:** The process of :
 - Determining the actual return on investment of an implemented investment against the agency's mission; and
 - Adapting the existing process to reflect "lessons learned".

This section will focus only on the IMP process for project selection.

For Further Information

Customs IT Investment Management Process, August 1997, for information on all three parts of the Investment Management Process. Contact the Decision Support Team or the IMP Project Manager for copies.

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Roles and Responsibilities

Investment Review Board

The Investment Review Board (IRB) is the executive management team at Customs that makes funding decisions based upon comparisons and tradeoffs among competing project proposals. The IRB plays a critical role in the funding process, especially when evaluating those projects expected to have an organization-wide impact.

IRB Membership	
Chairman	Deputy Commissioner, United States Customs Service
Principal Members	<ul style="list-style-type: none"> • Assistant Commissioner, Office of Information and Technology • Deputy Assistant Commissioner, Office of Investigations • Assistant Commissioner, Office of Finance • Assistant Commissioner, Field Operations
Non-Voting (Advisory) Members	<ul style="list-style-type: none"> • Director, Office of Planning • Director, Budget Division • Treasury IRM Representative

Decision Support Team

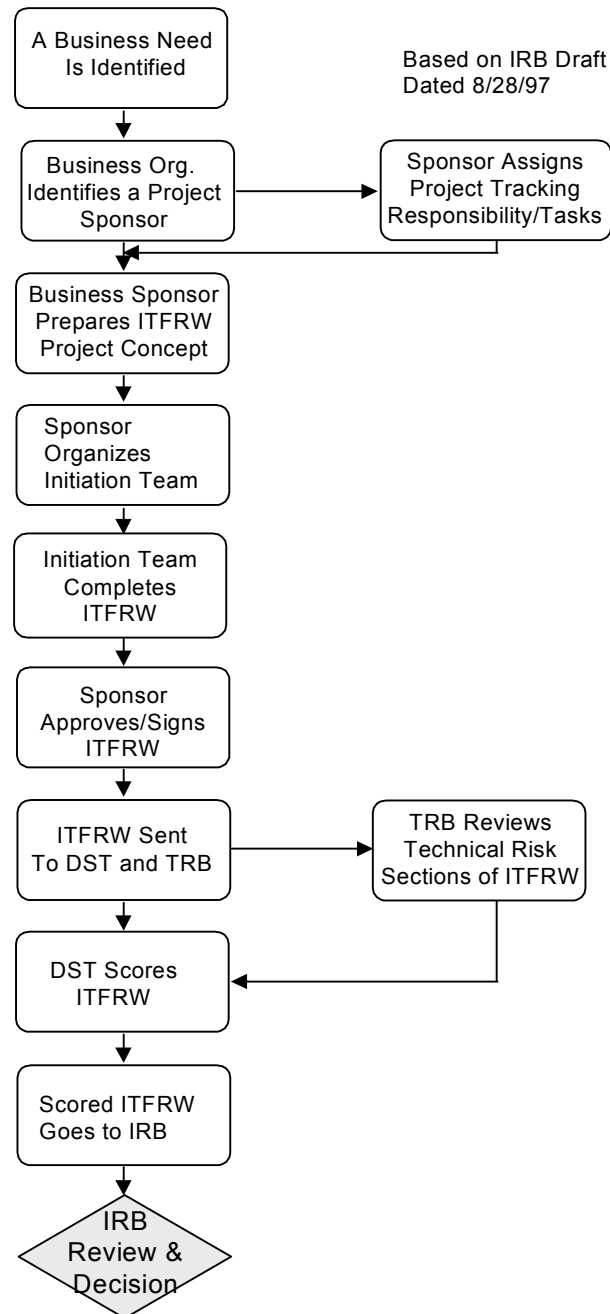
The Decision Support Team (DST), a subordinate working group of the IRB, is responsible for validating and scoring project information against standard investment rating criterion and submitting the results of their analyses to the IRB for selection, control, and evaluation decisions.

Technical Review Board

The Technical Review Board (TRB) is composed of members of the Technical Architecture Group (TAG) and other experts in technical and functional subjects who assist the DST by conducting the Technical Risk Reviews for **all** IT projects, including those below the formal IRB review threshold.

Select Process Overview

Process Diagram



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Select Process Overview, Continued

Select Process The following is a high-level view of the Investment Management Process for Project Selection from the viewpoint of new project initiation:

Stage	Description
1	The business organization(s) within Customs identifies a business need and finds a Business Sponsor(s).
2	The Business Sponsor(s): <ul style="list-style-type: none"> • Prepares the concept portion of the IT Funding Request Worksheet for New Projects • Selects someone who is responsible for project tracking tasks • Forms a Project Initiation Team
3	The Project Initiation Team, working with the Business Sponsor, completes both portions of the ITFRW (including supporting documentation as required), and submits it for sponsor review and approval.
4	Upon approval, the Business Sponsor signs and submits the ITFRW to the Investment Review Board's : <ul style="list-style-type: none"> • Technical Review Board for review of technical risks sections; and • Decision Support Team for scoring
5	The scored projects are sent to the IRB for review and decision-making.
6	The IRB takes one of three actions <ul style="list-style-type: none"> • Approve the project • Disapprove the project • Request more information from the Business Sponsor
7	If the IRB approves a project, it assigns the project a priority for funding decisions and notifies the Business Sponsor.

Dollar Thresholds

Types of Projects Covered

The Investment Review Board has established minimum requirements for the projects it wishes to consider. These include (but are not necessarily limited to):

- Projects which exceed the financial (cost) thresholds in any one of the Investment Management cycle phases (Selection, Control, and Evaluation)
- Projects above the cost threshold that utilize other funding sources. Also projects above the cost threshold that are major enhancements, modifications, or module add-ons to existing projects are subject to review
- Projects which fall below the cost threshold but have high risks or have broad cross-organizational impact may require evaluation on a case-by-case basis.

Dollar Thresholds For IRB Review

Dollar thresholds include all funds required by a project, regardless of the funding source. The following table summarizes the current dollar thresholds:

Project Type	\$ Threshold per Year	\$ Threshold per Life Cycle
New or Proposed	1 Million	5 Million
Under Development	1 Million	5 Million
Operational	2 Million	-

Reimbursable Agreements

For reimbursable agreements, the Investment Review Board must consider the effect of the agreement on schedules and resources to determine the business value of entering into these agreements.

Section B

Deliverables and Associated Documents

Section Overview This phase is the same for all software development projects within Customs. It consists of three types of tasks:

- Formation of the Project Initiation Team, including designating a Project Manager
 - Preparation of the IT Funding Request Worksheet
 - Project Concept
 - Project Documentation
 - Preparation of the documents associated with the ITFRW
 - Cost/Benefit Analysis (CBA)
 - Project Plan
 - User Requirements
-

Responsibility The Business Sponsor is responsible for:

- All tasks in this phase of the life cycle
- Providing funding and other resources to perform these tasks

The Business Sponsor should obtain assistance and Project Initiation Team members from appropriate OIT groups.

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Project Initiation Team Formation

Responsibility In order to complete the IT Funding Request Worksheet (ITFRW), the Business Sponsor must form a Project Initiation Team.

If an off-the-shelf solution is being considered, the Business Sponsor is also responsible for organizing a Product Evaluation Team, particularly if there is no product in the Customs portfolio that meets the stated requirements.

Project Manager The Business Sponsor must designate a Project Manager who will have the day- to-day responsibility for the project.

If the Business Sponsor chooses to name someone outside his/her organization, the designee's supervisor must concur with the assignment.

Team Members Team members for either a Project Initiation Team or a Product Evaluation Team should be selected from the following organizations:

- The Business Sponsor's organization as user representation
 - Applications Development
 - Quality Assurance
 - AIS Security
 - Training
 - Network
 - Systems Operations
 - CICS Support or LAN Support as appropriate
 - Data Administration
 - Systems Integration
 - Procurement
 - Field Support
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IT Funding Request Worksheet

Purpose

The IT Funding Request Worksheet organizes and summarizes all the information required by:

- The Decision Support Team to analyze and score a project
- The Investment Review Board to serve as the basis for their decisions.

It will also be used by the appropriate authorities

- To approve the start of new or proposed projects
 - For budget prioritization and senior management oversight of all Customs IT investments.
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ITFRW Types

There are three IT Funding Request Worksheets used in the Investment Management Process (IMP). These forms are designed to collect information regarding three types of IT projects:

- New or Proposed Projects
 - Under Development Projects
 - Operational Projects
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ITFRW Parts

There are two parts to the ITFRW.

Part	Function
Project Concept	<p>The Project Concept portion of the ITFRW serves to define:</p> <ul style="list-style-type: none">• The Business Sponsor(s) and their organizations• The groups who could benefit from the project• The high level statement of what the project will accomplish

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IT Funding Request Worksheet, Continued

ITFRW Parts (continued)

Part	Function
Project Documentation	<p>The Project Documentation portion of the IT Funding Request Worksheet has summary information covering four topics:</p> <ul style="list-style-type: none"> • Risks • Strategic Alignment • Mission Effectiveness • Benefit/Cost Ratio

Associated Documents

A high-level Project Plan, Cost/Benefit Analysis (CBA), and User Requirements must be included as attachments to the ITFRW for New Projects. Additional supplementary documentation may also be requested for a project, depending on its scope and SDLC phase.

The Project Documentation should contain as much information as possible and must address each question or provide references to summary responses. If an item does not apply, please indicate N/A on the form.

References

For instructions and templates concerning the IMP and the ITFRW documentation, see the following sources:

- *Customs IT Investment Management Process*, August 1997
- *U.S. Customs Service Cost/Benefit Analysis Workbook*, June 1998

If you have any questions about these forms, please contact the OIT Program Management Staff (PMS) or your DST Representative.

Project Plan

Description	<p>The software project plan is a vehicle for:</p> <ul style="list-style-type: none">• Documenting project scope, adjustments to the life cycle structure, tasks, schedule, allocating resources, interrelationships with other projects, configuration management methods, project risk management methods, quality assurance methods, system security and procurement support needs.• Detailing functional units, required job tasks, and milestone and review schedules. <p>The software project plan defines the process the project will use in developing the system, including a description of the milestones, baselines, and the actions necessary to manage change during the life cycle.</p> <p>Note: If the project is to use an incremental life cycle, a release plan must be included, either as part of the project plan or as a separate document.</p> <p>Reference: Volume II, Chapter 8, <i>Incremental Life Cycle</i>.</p>
Purpose	<p>The purpose of project planning is to:</p> <ul style="list-style-type: none">• Establish reasonable plans for performing the software engineering and for managing the software project• Baseline planned activities using lessons learned and experience• Set commitments for resources and expertise
Revisions	<p>Revisions to the project plan occur at the end of each phase or as new information becomes available.</p> <p>Reference: See Volume I, Chapter 4, Section E, <i>Revising/Rebaselining the Project Plan</i>, for further details.</p>
References	<ul style="list-style-type: none">• Volume II, Chapter 13, <i>Planning Documents</i>• Volume I, Chapter 3, <i>Project Control Processes</i>

Cost/Benefit Analysis

Estimate Basis Cost estimates are based on the:

- User requirements
- The work breakdown structure from the Project Plan
- Constraints on resources
- The costs of any new equipment
- Technology to be used
- Infrastructure considerations

Cost estimates should include recurring and non-recurring expenses.

References:

- *U.S. Customs Service Cost/Benefit Analysis Workbook*, June 1998
- *Customs IT Investment Management Process*, August 1997
- Volume II, Chapter 13, Section B, *Project Plan*

Cost/Benefit Analysis

A cost/benefit analysis should be done for all projects, including each release of a project using the incremental life cycle. This report is part of the information included with the IT Funding Request Worksheet. It includes information on:

- The alternatives reviewed
- The analysts' assumptions
- A cash flow analysis of all desirable alternatives as well as for continuation of the present system.

CBA References

U.S. Customs Service Cost/Benefit Analysis Workbook, June 1998, for a document template and instructions for completing the CBA.

This Workbook is supplemented by an Excel Spreadsheet which is also used as an attachment to the ITFRW. A copy of the Workbook and Excel spreadsheet templates may be obtained by contacting the IMP Project Manager.

User Requirements

Overview The User Requirements document is prepared by the Business Sponsor (or his/her designated representative) using:

- Business Sponsor's knowledge and expertise
- Documentation of the present system
- Consultations with appropriate OIT personnel

The User Requirements serve as the basis for all cost and schedule estimates.

Reference Volume II, Chapter 14, *Requirements Documents*

Procedure

Step	Action
1	The Business Sponsor prepares a draft statement of system requirements, consulting with OIT applications, training, operations, and security personnel as needed.
2	The Project Initiation Team and the Business Sponsor will collaborate to ensure that the requirements are defined to the level of detail necessary to obtain reasonable project cost estimates.
3	<p>The Business Sponsor and/or Project Initiation Team will conduct a Walkthrough with the appropriate OIT personnel, including (but not necessarily limited to):</p> <ul style="list-style-type: none">• Applications Development personnel• Systems Security personnel• Data Administration personnel <p>This walkthrough will identify items requiring more detail in order to make reasonable estimates of project costs and schedules.</p>

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User Requirements, Continued

Procedure
(continued)

Step	Action
4	The Business Sponsor and/or Project Initiation Team will address and/or correct the items identified in the Walkthrough.
5	<p>The User Requirements document will be an attachment to the IT Funding Request Worksheet.</p> <p>In signing the IT Funding Request Worksheet, the Business Sponsor(s) is:</p> <ul style="list-style-type: none">• Stating his/her acceptance of the requirements as documented• Establishing the documented requirements as a baseline project document

Requirements
Revisions

After project approval, the User Requirements may be further refined to provide the basis for the functional requirements.

If there are substantive changes to the user requirements that have a major impact on project cost or schedule, these changes must be reviewed by the IRB at its next meeting.

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